

# **California WIC Any Authorized Vendor (AAV) Project**

**PowerPoint Presentation Used For  
Grocer Forums during September,  
October, November 2005**

# Any Authorized Vendor (AAV)



Any Authorized Vendor (AAV)



# **Any Authorized Vendor (AAV)**

## **Approach to Today's Discussion**

- Overview
- AAV Requirements and Alternatives
- Submission Options
- AAV Implementation Approach
- Communication
- Breakout Sessions



# California WIC Program

- Serves families with incomes < 185% of poverty level
- Participants include pregnant women, new mothers, infants and children up to age 5 years
- Services:
  - ❖ Nutrition assessment
  - ❖ Nutrition education & breastfeeding support
  - ❖ Referrals
  - ❖ Food assistance



# California WIC Program

- Currently serving 1,333,000 per month – growing to 1,374,000 over next year
- 100% federal funds
  - ❖ FFY2005 = \$660 million
  - ❖ Rebates = \$250 million
  - ❖ Total food expenditures = \$910 million
- 82 local WIC agencies with 628 sites
- 3,925 authorized retail WIC vendors



# California WIC Program

Federal government holds WIC accountable for ensuring:

- Only eligible participants receive food
- Only eligible foods and quantities are sold
- Authorized vendors meet program requirements
- Only authorized vendors are reimbursed for foods
- Every redeemed food check can be linked to the authorized vendor who redeemed it

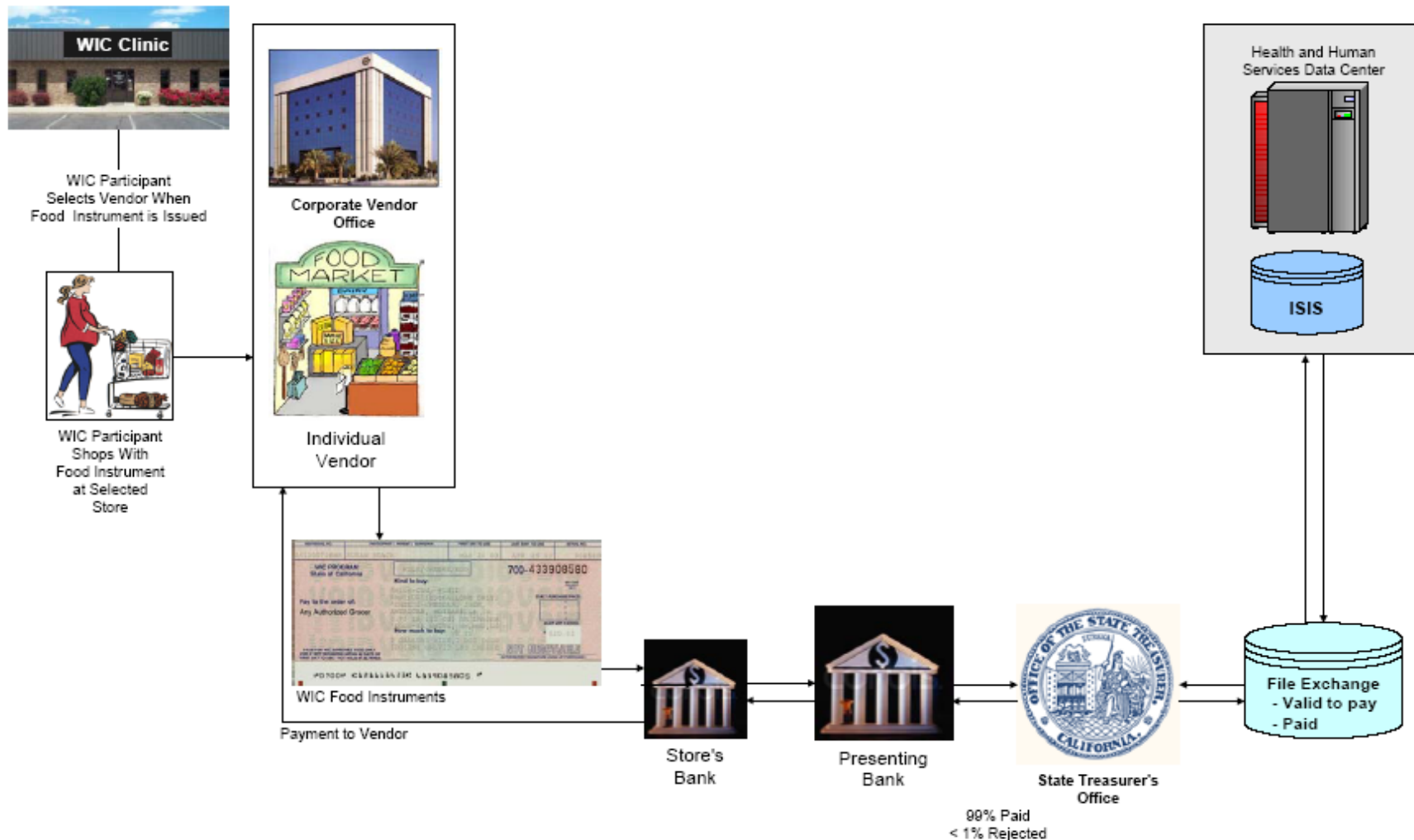


# California WIC Program

How has California WIC met the requirements to ensure...

- Only authorized vendors are reimbursed for foods?
- Every redeemed food check can be linked to the authorized vendor who redeemed it?

# WIC Food Instrument Issuance and Payment - Current Process





# WIC Food Instrument Processing

- State Treasurer's Office processes and pays food instruments every week day
  - ❖ Volume: 300,000 to 400,000 daily
  - ❖ Total per month: 6,800,000
  - ❖ Turnaround time: 24 hours
  - ❖ Pay: 99%
  - ❖ Rejects: <1%

# Number of Food Instruments Submitted by Vendor

NUMBER OF FI PER DAY	NUMBER OF VENDORS PER DAY
----------------------	---------------------------

01 - 20	970 (34%)
21 - 50	635 (22%)
51 - 100	557 (20%)
101 - 500	600 (21%)
501 - 1000	65 ( 2%)
1001+	<u>23 ( 1%)</u>
Totals	2850 (100%)



# California WIC Program

Current process enables WIC to ensure:

- Food instruments are issued only to authorized vendors
- Only authorized vendors are reimbursed for food sold
- Every redeemed food instrument can be linked to the vendor that redeemed it



# **New Federal Law – June 2004**

**States must issue food instruments that participants can redeem for supplemental foods at any authorized vendor**

## **Why did the law change?**

- Provide participants more flexibility to shop at stores most convenient to them that stock the foods they want
- Participants who move permanently or temporarily can redeem food instruments at any authorized vendor in the state
- Store employees do not need to verify grocer name on food instrument
- Of 84 state agencies and ITO's operating WIC, nearly all currently issue food instruments this way



# Any Authorized Vendor (AAV)

- Requires change in the way California WIC provides food benefits - no selection of vendor by participant at time of food instrument issuance
- California WIC must continue to be able to ensure that only authorized vendors are reimbursed for food and that every redeemed food instrument can be linked to the authorized vendor that redeemed it
- Implementation date set by USDA as October 2005; California WIC received approval for extension until July 2006

# Any Authorized Vendor (AAV)

## After AAV

After  
AAV

INDIVIDUAL NO.	PARTICIPANT / PARENT / GUARDIAN	FIRST DAY TO USE	LAST DAY TO USE	SERIAL NO.
462519308PP	PATTY PARTICIPANT	JULY 12 05	AUG 11 05	433902683

<b>WIC PROGRAM</b> State of California	<b>MILK/CHEESE/EGG</b>	<b>700-433902683</b>
---	------------------------	----------------------

<b>Pay to the order of:</b> ANY AUTHORIZED GROCER	<b>Kind to buy:</b> *MILK-COW, FLUID PASTEURIZED (GALLONS ONLY) *CHEESE-CHEDDAR, JACK, AMERICAN, MOZZARELLA IN 0.75 LB (12 OZ) OR LARGER *EGGS-AA WHITE, SM, MED, LG <b>How much to buy: UP TO:</b> 2 GALLONS MILK, 2 DOZ EGGS (DOZENS ONLY) 2 LBS CHEESE	<small>90-1342 1211</small> <b>EXACT PURCHASE PRICE:</b> <div style="border: 1px solid black; width: 100px; height: 50px; margin: 5px 0;"></div> <b>MUST NOT EXCEED:</b> \$20.97
--	--	---

<small>VALID FOR WIC APPROVED FOOD ONLY. VOID IF NOT DEPOSITED WITHIN 45 DAYS OF "FIRST DAY TO USE." NOT VALID IF ALTERED.</small>	<b>NOT NEGOTIABLE</b> <small>AUTHORIZED SIGNATURE (SIGN AT PURCHASE)</small>
--	---

⑈0700⑈ ⑆121113423⑆ 4339026837 ⑈

# Any Authorized Vendor (AAV)

## Alternatives Explored for Implementing AAV

- **Manual entry of WIC Vendor ID number on food instrument with scanning/key entry of WIC Vendor ID prior to payment**
  - ❖ Labor intensive
  - ❖ High cost for processing
  - ❖ Sizeable rejects
- **Encoding of WIC Vendor ID number on MICR line of food instrument**
  - ❖ Requires special equipment
  - ❖ High cost to purchase and maintain equipment
  - ❖ Rejects ?
- **Electronic benefits transfer (EBT)**
  - ❖ Current proven technology = smart card
  - ❖ High cost for infrastructure and processing
  - ❖ USDA not approving new projects
- **Electronic submission of serial numbers from WIC food instruments and WIC Vendor ID number**
  - ❖ Affordable
  - ❖ Most flexible
  - ❖ Maintains low rejects
  - ❖ First step toward EBT

# **Any Authorized Vendor (AAV)**

## **Electronic Submission of WIC Food Instrument Information**

- Vendors submit WIC Vendor ID number and serial numbers of WIC food instruments redeemed prior to submitting food instruments for payment
- Several options for submitting information to state
- STO continues to process and pay food instruments - maintains timely payment and low number of rejects
- Opportunity for vendors to receive feedback on information submitted to correct errors in advance of submitting for payment – invalid use dates, invalid serial numbers

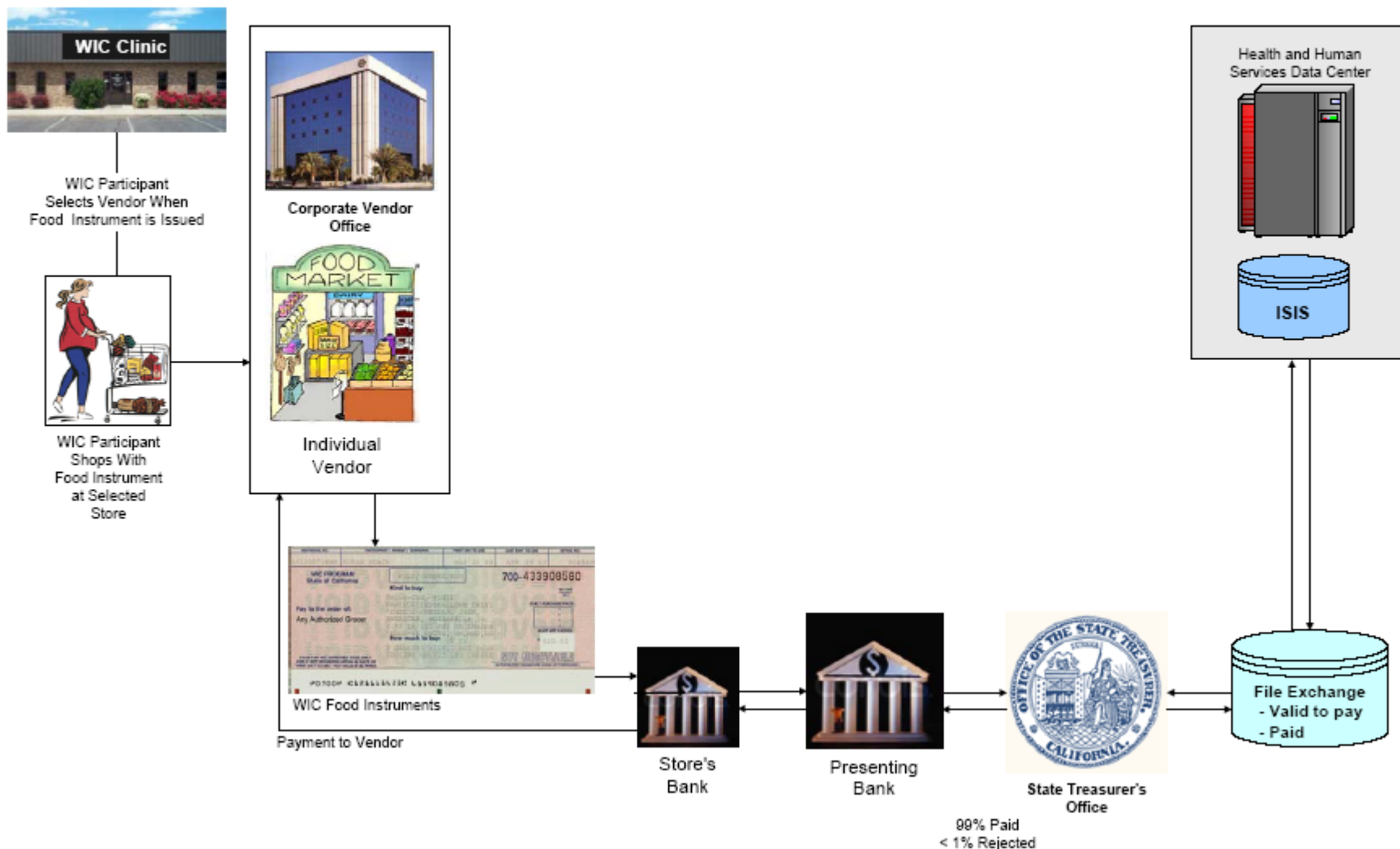


# Any Authorized Vendor (AAV)

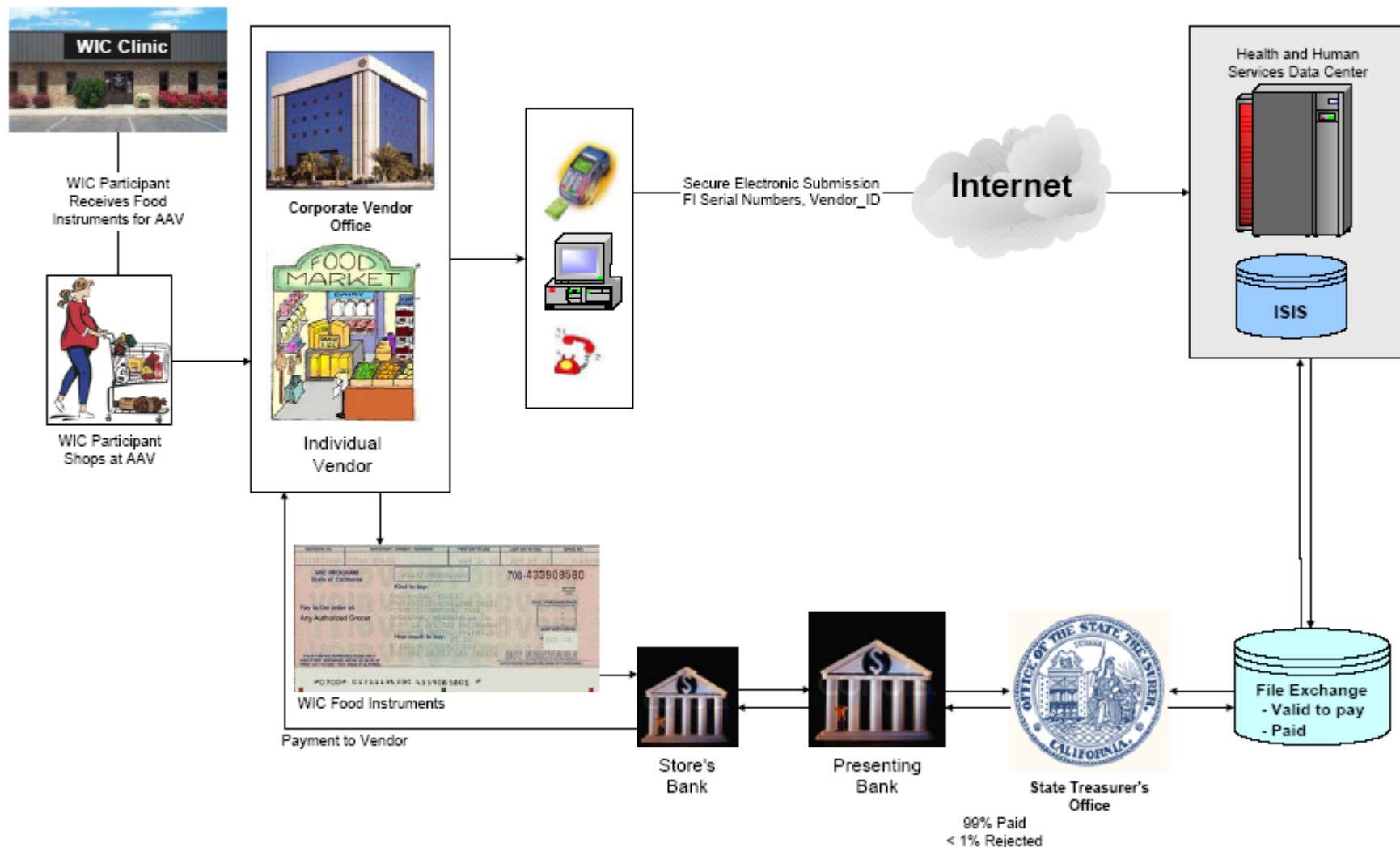
## Key Milestones

- **October 2005 through March 2006**  
Communication, preparation & training for AAV changes
- **April through June 2006**  
Vendor readiness, training & grocer practice on selected submission options
- **July 2006**  
Go live

# WIC Food Instrument Issuance and Payment - Current Process



# WIC Food Instrument Issuance and Payment - New Process



# Any Authorized Vendor (AAV) Submission Options

- Telephone – Enter Serial Numbers
- Internet Access – Enter Serial Numbers
- Electronic File Submission
  - ❖ Submission via Internet Access
  - ❖ Direct Submission



# Any Authorized Vendor (AAV)

## Telephone – Enter Serial Numbers

May be best suited for low volume WIC stores without an internet connection. Can use telephone to submit serial numbers multiple times during day.



- Dial toll free number
- Enter WIC Vendor ID number at prompt
- Enter serial number(s) of WIC food instruments at prompt
- Phone system does file submission
- Verify submission by contacting WIC Customer Support Help Desk

INDIVIDUAL NO.	PARTICIPANT / PARENT / GUARDIAN	FIRST DAY TO USE	LAST DAY TO USE	SERIAL NO.
061300708MR	SUSAN ROACH	MAR 26 03	APR 25 03	908580

<b>WIC PROGRAM</b> State of California	<b>MILK/CHEESE/EGG</b>	<b>700-433908580</b>
Pay to the order of: Any Authorized Grocer	Kind to buy: MILK-COW, FLUID PASTEURIZED (GALLONS ONLY) CHEESE-CHEDDAR, JACK, AMERICAN, MOZZARELLA, IM, 0.75 LB (12 OZ) OR LARGER EGGS-AA WHITE, SM, MED, LG How much to buy: UP TO: 2 GALLONS MILK, 2 DOZ EGGS (DOZENS ONLY) 2 LBS CHEESE	90-1342 1211 EXACT PURCHASE PRICE: MUST NOT EXCEED: \$ \$20.02 <b>NOT NEGOTIABLE</b> AUTHORIZED SIGNATURE (SIGN AT PURCHASE)

VALID FOR WIC APPROVED FOOD ONLY.  
VOID IF NOT DEPOSITED WITHIN 45 DAYS OF  
"FIRST DAY TO USE." NOT VALID IF ALTERED.

⑈0700⑈ ⑆121113423⑆ 4339085805 ⑈

# Any Authorized Vendor (AAV)

## Internet Access – Enter Serial Numbers

May be best suited for stores having computer, web browser and internet connection. No special equipment or software needed. Can go to web site and submit serial numbers multiple times during day.

- Logon to web site
  - ❖ ID and password required
  - ❖ ID furnished by WIC and associated with WIC Vendor ID number
  - ❖ Logon process necessary for security reasons
- Enter serial number(s) of WIC food instruments
- Web screen does file submission
- Verify submission via web site

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## V-WIX: Vendor WIC Information eXchange Food Instrument Information Submission



Women, Infants and  
Children (WIC)  
Supplemental Nutrition  
Program



Log on to:

- Send File
- Enter Serial Numbers
- View Status of Submissions

User ID

Password



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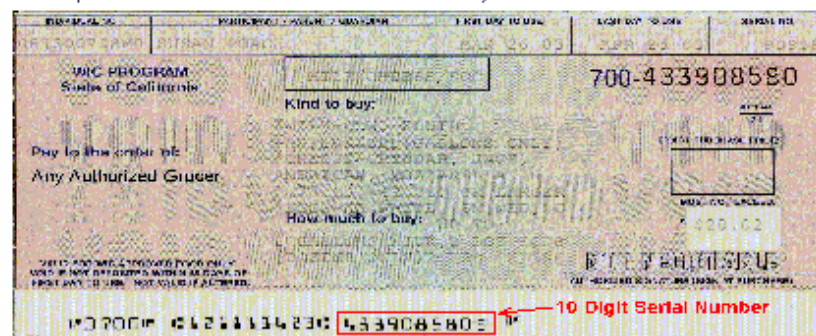


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### Enter Serial Numbers.

(Enter the ten digit serial number from each food instrument. See the example below for serial number location.)



4339085805			
4339085806			
4339085807			

Submit



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### Status of Submissions

Submission Date/Time	Submitter	Total Serial Numbers SUBMITTED	Total Serial Numbers ACCEPTED	Total Serial Numbers REJECTED
<a href="#">2005-07-29 09:28:28</a>	HDVEND2	2	2	
<a href="#">2005-07-29 11:46:28</a>	HDVEND2	3	2	1

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# Any Authorized Vendor (AAV) Submission Options

- Telephone – Enter Serial Numbers
- Internet Access – Enter Serial Numbers
- Electronic File Submission
  - ❖ Submission via Internet Access
  - ❖ Direct Submission



# Any Authorized Vendor (AAV)

## Electronic File Submission

May be best suited for stores having equipment that can read the WIC food instrument \*MICR line, such as integrated electronic cash registers or stand-alone MICR readers.

- Submission via internet access
- Direct submission

\* Magnetic Ink Character Recognition



# Any Authorized Vendor (AAV)

## Electronic File Submission



- What is it?
  - ❖ Method by which serial numbers of WIC food instruments are captured by MICR reader, batched together with WIC Vendor ID number, and electronically submitted to State
- What equipment is used?
  - ❖ Integrated electronic cash register with MICR reader
  - ❖ Stand-alone MICR reader
- How is it sent?
  - ❖ Submission via internet access
  - ❖ Direct submission
- Verify submission via web site



# Any Authorized Vendor (AAV)

## Electronic File Submission – Individual Store File Layout

### Individual store file record layout:

MVWIX	← Master Header: MVWIX (VWIX tell us this is WIC FI data).
H123456	← Header: H followed by your six digit Vendor ID number.
D4339085805	← Detail: D followed by the 10-digit serial number in the MICR
D4339085811	line at the bottom of the WIC FI. Each FI serial number on its own line.
D4339085822	
T0000003	← Trailer: T followed by the total number of serial numbers. This Trailer field consists of one alpha (T) plus 7 numeric characters.

If you submit three serial numbers, the trailer is T0000003, per above example.

If you submit 22 serial numbers, the trailer is T0000022.



# Any Authorized Vendor (AAV)

## Electronic File Submission – File Layout for Multiple Store Locations

### Multiple store locations file record layout:

#### Repeat (H)header and (D)etail blocks for each WIC Vendor ID number

MVWIX      ← Master Header: MVWIX (VWIX tell us this is WIC FI data).

**H123456**      ← Header: H followed by the six digit Vendor ID number

D4339085805 ← Detail: D followed by the 10-digit serial number in the MICR

D4339085811      line at the bottom of the WIC FI. Each FI serial number on its own line.

D4339085822

**H123457**      ← Header: H followed by the next six digit Vendor ID number

D2234567801 ← Detail: D followed by the 10-digit serial number in the MICR

D2234567812      line at the bottom of the WIC FI. Each FI serial number on its own line.

D2234567823

T0000006      ← Trailer: T followed by the total number of serial numbers. This Trailer field consists of one alpha (T) plus 7 numeric characters.

If you submit six serial numbers, Trailer is T0000006, per above example.

If you submit 22 serial numbers, T0000022.

# Any Authorized Vendor (AAV)

## Electronic File Submission

May be best suited for stores having equipment that can read the WIC food instrument \*MICR line, such as integrated electronic cash registers or stand-alone MICR readers.

- Submission via internet access
- Direct submission

\* Magnetic Ink Character Recognition



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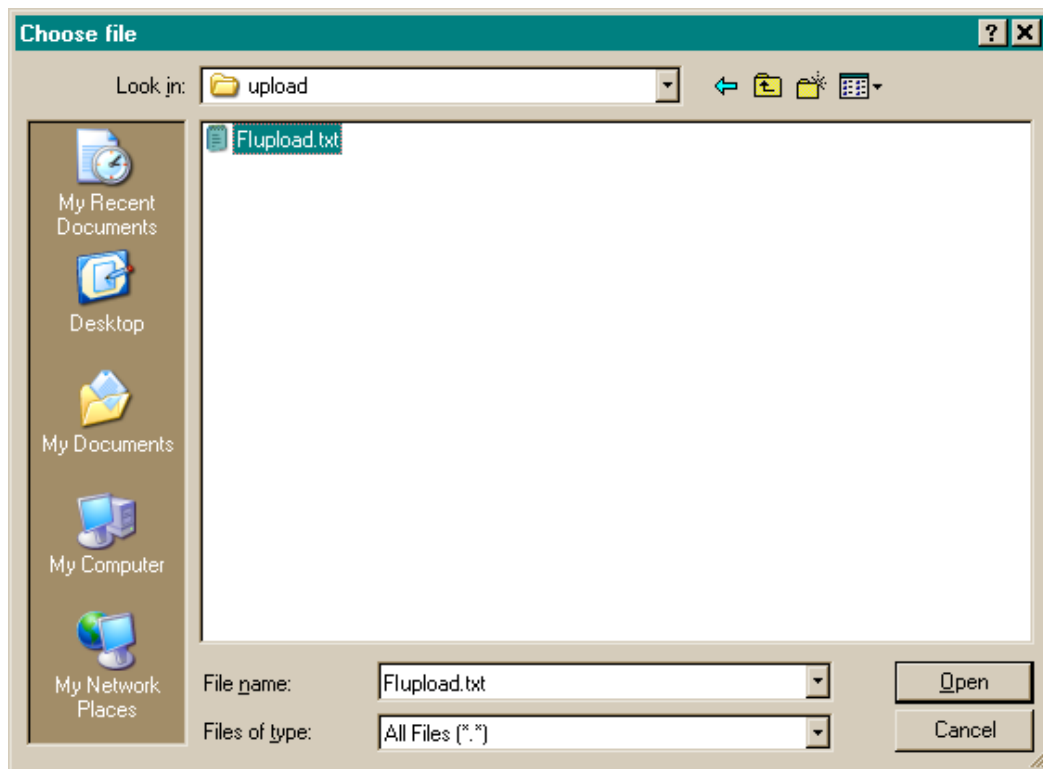


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## Electronic File Submission

May be best suited for stores having equipment that can read the WIC food instrument \*MICR line, such as integrated electronic cash registers or stand-alone MICR readers.



\* Magnetic Ink Character Recognition

### ■ Submission via internet access

### ■ Direct submission

- ❖ Approach to be determined by grocer/business
- ❖ Can configure stand-alone MICR readers or store's information management system to accomplish direct submission

# Any Authorized Vendor (AAV)

## Submission Options – **Breakout Sessions**

- Telephone – Enter Serial Numbers
- Internet Access – Enter Serial Numbers
- Electronic File Submission
  - ❖ Submission via Internet Access
  - ❖ Direct Submission





# **Any Authorized Vendor (AAV)**

## **Implementation Approach**

- Grocer Survey – gathering information
- Proof of Concept – proving design concept works
  - ❖ Phase 1: August 2005
  - ❖ Phase 2: November/December 2005
- Grocer Forums, September/October 2005 – communicating AAV project plan
- Grocer Preparation/Readiness, December 2005 through June 2006 – preparing and training grocers, grocers practicing selected submission option
- Go Live, July 2006 – implementing AAV federal and state law



# **Any Authorized Vendor (AAV)**

## **Implementation Approach**

Grocer Survey – completed September 2005

- MICR Readers – approximately 60%
- Internet Access Available – approximately 85%
- No Internet Access & No MICR- approximately 10%

# **Any Authorized Vendor (AAV)**

## **Implementation Approach**

Proof of Concept Phase 1 (August 2005)

- Successful file submission via internet access of serial numbers collected from MICR reader for individual store
- Successful file submission via internet access of serial numbers collected from MICR readers from multiple store locations
- Sharing of experience

Proof of Concept Phase 2 (November/December 2005)

- Submission of serial numbers via direct submission from both individual store and multiple store location
- Submission of serial numbers via internet access
- Test edits on file submission
- View status of submission

# **Any Authorized Vendor (AAV)**

## **Implementation Approach**

### **Grocer Preparation**

- Select submission alternative – by December 31, 2005
- Participate in AAV training – February through April 2006
- Acquire or make system changes – December 2005 through April 2006

### **Readiness Test**

- Period of weeks/months where grocers submit serial numbers while food instruments are still printed vendor specific – April through June, 2006
- Confirmation that grocer is ready for AAV – June 2006

### **Go Live – July 2006**

# **Any Authorized Vendor (AAV)**

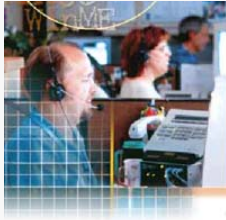
## **Implementation Approach**

### **Education Approach**

- Regional trainings scheduled throughout state
- Trainings geared toward selected submission option
  - ❖ Telephone
  - ❖ Internet access
  - ❖ Electronic file submission
- Training teams assigned to specific grocers depending on grocer location and selected submission option
- Training will be scheduled during February through April 2006



# Any Authorized Vendor (AAV) Project Areas



Vendor Support



System Architecture



Application Design



STO Preparation



Any Authorized Vendor (AAV)



Application Development



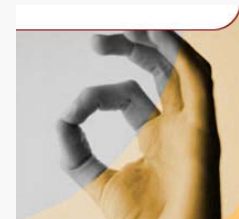
Local Agency Preparation



Branch Preparation



Vendor Preparation



Testing



# Any Authorized Vendor (AAV) Communication

- WIC will provide communication via:
  - ❖ Grocer alerts
  - ❖ WIC web site
  - ❖ Grocer associations
- WIC will need information from each ownership:
  - ❖ Selected submission option for each store under ownership
  - ❖ Contact person representing ownership
- Selected submission option and contact person needed by December 31, 2005

# **Any Authorized Vendor (AAV)**

## **Breakout Session**

- Think about what submission option might work best for your store
- Go to that breakout session for questions and answers
- The two breakout sessions are:
  - ❖ Telephone and internet access to enter serial numbers
  - ❖ Electronic file submission
    - Submission via internet access
    - Direct submission